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CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
11 January 1965

INTELLIGENCE MEMORANDUM

The Congo Government's 29 November
Decree Affecting Certain Belgian Companies

1. The Congo Government on 29 November issued a decree (text attached) revoking the concession-granting rights and tax-free status of certain Belgian companies in the Congo. The decree also revoked certain agreements concluded immediately prior to independence between the colonial Congo and certain Belgian companies. By far the most important of the companies are the Comite Special du Katanga (CSK) and the Compagnie du Katanga, both of which are holding companies subsidiary to the great Belgian holding company, Societe Generale. The decree dissolved CSK and took over all its rights and possessions.

2. The decree, however, has not been implemented and, in fact, Tshombé has said he would not implement it prior to consultation with Spaak. Tshombé is now expected to arrive in Brussels for negotiations between 12 and 17 January.

3. The general meaning of the decree is obscure except in its forthright cancellation of the right of Belgian companies to grant concessions in the Congo. (This right was in any case one which Belgium had agreed to forfeit for its companies as soon as a complete understanding should be reached between Belgium and the Congo on the latter's inheritance from the colonial Congo.) Even this aspect of the decree has caused questions among Belgian businessmen. They fear that it may be later interpreted to mean that all existing concessions must be renegotiated, although it has not been so interpreted by the Congolese thus far.

4. The point of major concern about the decree is the interpretation of the Congo Government's intent

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7. Tshombé has told Spaak that the decree was dictated by "overriding reasons relating to the internal political situation." In fact, the Congolese Prime Minister was probably attempting to recoup nationalist prestige lost during the US-Belgian paratroop drop on Stanleyville. In addition, he was undoubtedly well aware that he would precipitate a Leopoldville-Brussels confrontation and may have hoped to improve his bargaining position with an eye to the eventual settlement with Belgium of outstanding financial questions.

8. In essence, then, Tshombé has precipitated such a confrontation. Brussels has indicated repeatedly over the past month that continuation of aid to the Congo is dependent on a satisfactory interpretation of the 29 November decree and on settlement of other financial questions pending since independence.

9. The Belgian strategy will apparently be to demonstrate to Tshombé that he has more to gain by adhering to Belgian legal interpretations than by expropriation without compensation. Brussels plans to make it "crystal clear" to Tshombé that he cannot harass Belgian business interests with one hand and hold out the other for Belgian assistance.

10. The Belgians do not plan to insist that Tshombé revoke the decree of 29 November 1964, since they are aware that resulting loss of face would be unacceptable to him. They will be satisfied with the tacit understanding that the decree will not be implemented. A Belgian Foreign Ministry specialist states there is ample precedent for this kind of arrangement in Tshombé's relations with the Belgians in Katanga days.

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Decree law of 29 November 1964

Following is the text of decree law of 29 November signed by Kasavubu, President of the GDRC, Tshombé, Prime Minister of Foreign Affairs, and Ndinga, Minister of Finance, as released in Leopoldville on 5 December: With reference to the Constitution of 1 August 1964; with reference to the decree of 2 June 1960; with reference to the agreement of 19 June 1900 between the independent state of the Congo and the Compagnie du Katanga; with reference to the agreement of 4 January 1902 between the independent state of the Congo and the Compagnie des Chemins de Fer du Congo Supérieur aux Grands Lacs Africains; with reference to the decree of 13 January 1900 creating the National Committee of Kivu, the Council of Ministers are agreed:

Article 1

La Republique Democratique du Congo refuses to accept the agreements concluded between;

1. The Belgian Congo and the Compagnie du Katanga, 29 June 1960.
2. The Belgian Congo, the Societe Belgo-Africaine of Kivu, and the Compagnie des Chemins de Fer du Congo Supérieur aux Grands Lacs Africains, 24 June 1960.

Article 2

The Comite Special du Katanga (CSK), created by the agreement concluded on 19 June 1900 between the independent state of the Compagnie du Katanga, and to which civil personality was conferred by decree of 6 December 1900 of the said state, is dissolved. All the rights granted to CSK by virtue of the agreement of 19 June 1900 and all other dispositions are revoked by the Democratic Republic of the Congo. The Democratic Republic of the Congo will dispose henceforth of all the rights and possessions

(avoirs) belonging until now to CSK and it will be the sole and unique owner of all the assets managed jointly by CSK.

Article 3

The Democratic Republic of the Congo reassumes full and free possession of all the land, forest and mineral rights which were conceded to the Compagnie des Chemins de Fer du Congo Superieur Ax Grands Lacs Africains.

Article 4

The Prime Minister is charged with carrying out the present decree-law.